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CENTRAL INTELLIGENCE AGENCY

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Export Promotion Drive

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1. As early as November 1953, permission had been obtained from Moscow for USIA to send representatives abroad for the purpose of opening new markets in non-Orbit countries.

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since new markets were needed to overcome the financial difficulties of USIA.

2. Since the active promotion of USIA exports to non-Orbit countries began, there have been no important sales by the electrical industries division (Kabel) to the West.² There have been, however, requests for export offers from a number of non-Orbit countries.

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3. The main reason that there have been no important exports from Kabel is that the program has been conceived solely as one of seeking out customers and no effort has been made to prepare USIA to compete on the world market. The main problems facing USIA plant managers seeking exports orders are:

- The prices of their products are established by the rigid Soviet pricing system, and they are not granted the commercial authority required to deal effectively on the world market.
- The Western purchasers who are interested in USIA products normally require long-term payment conditions and USIA is not authorized to extend such credits.
- The ~~complexity~~ of USIA is so complex that cost estimates and contract ~~approval~~ ~~process~~ ~~are~~ ~~more~~ ~~time~~ ~~than~~ ~~potential~~ ~~customers~~ ~~are~~ ~~willing~~ ~~to~~ ~~wait~~.

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Comment. It is probable that the export program of USIA was approved by Moscow more because of the Soviet desire to have USIA earn foreign exchange. In 1953, it was already apparent that USIA was draining sizable amounts of Soviet foreign exchange.

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